## REMARKS/ARGUMENTS

This paper is submitted responsive to the Official Action mailed April 28, 2005. Reconsideration of the application in light of the accompanying remarks and amendments is respectfully requested.

In the aforesaid action, the Examiner rejected claims 1, 7 and 8 as anticipated by US Patent number 5,706,664 to Hara (Hara '664). The Examiner also indicated that claims 2-6 contained patentable subject matter.

By the present amendment, each of claims 2 and 3 have been rewritten in independent form and are believed to be in condition for allowance. Dependent claims 4-6 depend from claim 3 and are likewise believed to be in condition for allowance.

Claim 1 has been amended to recite a condenser bypass circuit as part of the system, and this segment advantageously allows for operation in at least the "dehumidification with variable sensible capacity" mode. Hara '664 does not disclose or suggest such a flow circuit, nor operation in such a manner, and it is therefore respectfully submitted that claim 1 as amended is allowable over Hara '664 and all other art of record.

Claim 7 has been amended to recite that the system is operable in each of the 5 different modes, and it is believed that this clearly defines over the art of record as well.

Appln. No. 10/790,350 Amdt. dated October 6, 2005 Reply.to OA mailed April 28, 2005

Based upon the foregoing, it is believed that the application is in condition for allowance, and early and favorable action is therefore respectfully solicited.

It is believed that no additional fees are due in connection with this response. If, however, any fees are due, please charge same to Deposit Account No. 02-0184.

Respectfully submitted,

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I, Rachel Piscitelli, hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to:

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